

Analysis

Topic: Boxing

Sponsor: Representative Robertson

Co-Sponsors: Representatives Robertson, Baxter, Garfield, Gosselin, Taub, LaJoy, Marleau, Shaffer, Gleason, Sak, Nitz, Ball, Stahl, and Lemmons III

Committees: House Regulatory Reform Senate Economic Development, Small Business and Regulatory Reform

Date Introduced: March 3, 2005

Date Enrolled: June 9, 2005

Date of Analysis: June 10, 2005

Position: The Department of Labor & Economic Growth supports the bill.

Problem/Background: In 2005 the Michigan Legislature passed and the Governor signed a bill designed to strengthen boxing in Michigan. A couple of concerns have developed since the bill's enactment. The application of a good moral character standard to boxers poses significant obstacles to promoters the way it is currently worded. In putting together boxing shows, promoters must often make last-minute substitutions. There often would not be sufficient time for the department to make the determination of good moral character required by the act. The 10% holdback pending the results of the post-fight drug test is unworkable, because the director doesn't have custody of the purse.

Description of Bill: The bill rewrites the good moral character provision for boxers. A boxer's ability to participate in an event would be based on self-certification of his or her general suitability, character, integrity, and ability to participate in boxing contests or exhibitions. An applicant for a promoter's license would be required to demonstrate good moral character. A promoter's license is subject to revocation unless at least 10% of a boxer's purse is withheld or escrowed pending the results of a post-event drug test. A promoter is not prohibited from including a provision in a contract that requires the promoter to withhold 10% of the purse until the drug tests results are available. If the results do not

demonstrate compliance with the act, the department would be required to issue a formal complaint requiring the promoter to forward the amount withheld to the department for deposit into the Boxing Regulatory Fund. A hearing is required regarding penalties for violation of the act and the final disposition of the money withheld. The current requirement that background information submitted by promoters include 2 years of federal income tax returns of certain individuals is deleted. Practicing fraud or deceit in obtaining a license is added to the list of items for which the department is required to take action against a contestant, promoter, or other participant. Language requiring the department director to withhold 10% of the purse until post-contest drug tests are available is deleted.

Summary of Arguments

Pro: The good moral character standard in the current act isn't workable, because the names of contestants in boxing events aren't always known early enough to permit the department to make the required determination. It is not unusual for the promoter to have to make last-minute substitutions to fill out an event. By permitting contestants to self-certify, promoters are able to continue to make needed substitutions and changes. If a contestant's self-declaration turns out to be false, new language in Section 47 permits the department to take action. Also, the department is able to take preemptive action to prevent a high-profile event that involves a contestant with an unsavory reputation from occurring, because there is typically several months' notice of such events.

The 10% hold back pending receipt of the results of the drug tests in the current law isn't workable, because the department doesn't hold the purse.

Con:

Fiscal/Economic Impact

(a) Department

Budgetary: The bill will have no budgetary impact on the department.

Revenue: The bill will have no effect on department revenue.

Comments:

(b) State

Budgetary: The bill will have no state budgetary impact.

Revenue: The bill will not directly affect state revenues.

Comments:

(c) Local Government

Comments:

Other State Departments: No other departments are directly affected.

Any Other Pertinent Information: No other information is available at this time.

Administrative Rules Impact: Revisions in the department's administrative rules may be needed.